

Takeda's Position on Climate Change

Key message

Takeda supports the Paris Agreement and international efforts to keep climate change well below 2°C above pre-industrial levels.

The changes brought on by climate change are a threat to global public health. As a global biopharmaceutical company committed to bringing Better Health and a Brighter Future to people worldwide, protecting the environment and climate is an integral part of that commitment.

Takeda is committed to ambitious action to prevent and mitigate the effects of a changing climate and has set a goal of becoming a carbon neutral organization, inclusive of all greenhouse gas emissions (GHG) throughout our value chain by 2040.

Background

The most recent Intergovernmental Panel on Climate Change (IPCC) report indicates that the world is heading towards a significant rise in global temperatures that will have a destabilizing effect on the social, environmental, and economic structures that we rely on. We are on course for profound change and are already seeing the consequences of climate change through extreme weather, rising sea levels, diminishing sea ice and biodiversity loss. The international community came together and reached a consensus on preventing the most serious impacts of climate change in what is known as the Paris Agreement endorsed in November 2016.

Takeda's position

Takeda supports the Paris Agreement and its global goal to keep climate change well below 2°C above pre-industrial levels and ideally, below 1.5°C. The changes in temperature and precipitation brought on by climate change threaten global public health through increased exposure to heat wave events, extreme weather events, greater transmission of vector borne diseases, declining food security, and diminishing biodiversity. We also recognize that the changes brought on by climate change have the potential to disrupt our business operations, facilities and supply chain.

Protecting the climate is aligned with our purpose to bring Better Health and a Brighter Future to people worldwide and grounded in Takeda-ism, our core values of integrity, fairness, honesty and perseverance which guide us in fulfilling our responsibility to society as a global pharmaceutical company.

Takeda's Commitment:

Takeda has actively engaged in environmental stewardship initiatives for almost 50 years, since establishing an Environmental Protection Committee in 1970. We want to set high and ambitious standards for ourselves on climate action and have established 2040 targets to achieve carbon neutrality across our value chain. Takeda will do this by eliminating all GHG emissions from our operations (Scopes 1 and 2) and by working with suppliers to significantly reduce their emissions (Scope 3) and also address remaining Scope 3 emissions through verified carbon offsets. In addition, given the immediate risks to global health posed by climate change, beginning with FY19 GHG emissions, the company commits to carbon neutrality (Scopes 1, 2, and 3) through the purchase of renewable energy and verified carbon offsets, while simultaneously working to reduce emissions from its operations and suppliers. To achieve our carbon neutrality ambition, we will:

- Invest in energy efficiency and conservation in our facilities, manufacturing processes, product logistics and all other business activities
- Invest in renewable energy globally through renewable energy sourcing mechanisms, such as large-scale power purchase agreements and on-site renewable energy generation to replace conventional electricity
- Work together with our partners throughout the value chain to address climate change
- Invest in and adopt innovative new technologies as they become available that help to decarbonize our operations
- Invest in high quality, measurable and verifiable carbon offsets where GHG emissions cannot otherwise be avoided or mitigated. Additional information on Takeda's approach to purchasing carbon offsets can be found [here](#)
- Transparently disclose and communicate our climate change strategy, risks, opportunities, activities and progress toward goals

Policy Recommendations:

Achieving the goals of the Paris Agreement will take bold and urgent action from all sectors of the global economy supported by strong government policies. Takeda supports policies that will accelerate the transition to a low carbon future and incorporate the following elements:

1. Science-based: Climate policy should be aligned with the most current and widely accepted climate science to ensure efficacy in limiting climate change.
2. Market-based: Climate policy should employ market-based approaches that provide an economic signal to the marketplace to limit GHG emissions and incentivizes climate protecting technology innovations.

3. Promote energy efficiency: Climate policy should encourage energy efficiency as it continues to be a cost-effective and foundational method of reducing GHG emissions that reduces demand on current energy infrastructure.
4. Expand renewable energy: Climate policy should encourage the growth of renewable energy and advanced biofuels that enable the transition away from a fossil fuel-based economy.
5. Support innovation: Climate policy should promote innovation for development of low-carbon technologies, accelerate their deployment and remove barriers that prevent the adoption of proven, already existing emission reducing technologies. Low carbon technologies include building management technologies, carbon capture and storage, natural capital solutions, low-carbon microgrids, low-carbon transport fuels, among others.
6. Support climate change resiliency: The impacts of climate change can already be seen through extreme weather events, rising sea levels and diminishing sea ice. Climate policy should address both mitigation efforts as well as climate change resiliency measures, such as building flood defenses and adapting building codes to future climate conditions, that reduce vulnerability of at-risk communities to the impacts of climate change.

Takeda supports international efforts to limit climate change and has joined the Paris Pledge for Action and the Science Based Targets Initiative, committing to doing our part to prevent and mitigate the impacts of a changing climate in alignment with climate science. We also participate in Caring for Climate, the world's largest corporate-led initiative on climate change and publicly disclose our climate change strategy, initiatives, and impacts through annual participation in CDP, formerly known as Carbon Disclosure Project.

Closing

Global climate change is one of the greatest challenges that we face as a society. Climate change is increasingly visible and likely to intensify public health challenges around the world. Takeda, as a global biopharmaceutical company, believes bold action is required from all sectors to accelerate the transition to a low carbon economy.

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